

STATE OF TEXAS §
McLENNAN COUNTY §

AFFIDAVIT OF JIM HUDSON

On this day, Jim Hudson appeared before me, the undersigned notary public. After I administered an oath to him, upon his oath, he said:

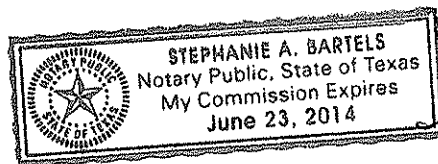
1. "My name is Jim Hudson. I am over 18 years of age and competent to make this affidavit. The facts stated in this affidavit are within my personal knowledge and are true and correct.

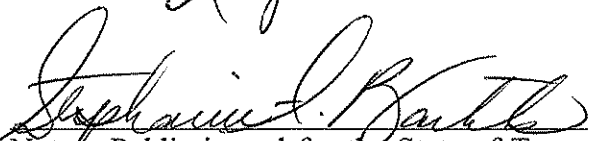
2. Dr. Karl V. Stein was employed by the Thomas-Spann Clinic, P.A. and a participant in its profit sharing plan. Dr. Stein's employment with the clinic ended and in December 2008 his benefits under the profit-sharing plan were rolled over into an IRA. By mistake \$73,075.89 in benefits was rolled over, but Stein was only entitled to \$39,533.99 in benefits under the plan. When an audit of the plan was conducted after the rollover, the mistaken overpayment was discovered, and the clinic requested that Stein refund the overpayment. The original overpayment had been \$33,541.90 (\$73,075.89 less \$39,533.99). Using the actual negative investment rate of return for the Thomas-Spann Clinic, P.A. Profit Sharing Plan for this period and applying it to the \$33,541.90 resulted in a loss of \$1,237.78 for a balance due of \$32,304.12. Use of actual investment gains and losses is one of the methods of calculating gain / loss permitted under Rev. Proc. 2008-50 for the Self-Correction Program administered by the Internal Revenue Service. Stein refused to make this repayment. The clinic paid the \$32,304.12 back to the plan in November 2010. July then repaid the clinic the \$32,304.12 in June of 2011.

3. The foregoing facts are within my personal knowledge because I am the President and CEO of the plaintiff, July Business Services. July has provided administration services to the Thomas-Spann Clinic, P.A. employee profit-sharing plan since May of 2006, and was doing so in 2008 when Dr. Stein's employment with the clinic ended and his employee benefits were rolled over into his IRA. My business partner, Blake Willis, has been in contact with Mr. Cal Jennings and Ms. Belinda Chism at Thomas-Spann Clinic, P.A. in an effort to recover the overpayment from Dr. Stein.


Jim Hudson

SWORN TO and SUBSCRIBED before me by Jim Hudson on Aug. 3rd, 2011.




Notary Public in and for the State of Texas